



## U.S. Department of Justice

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January 20, 2004

### **RETIRED PILOT SENTENCED TO 20 MONTHS IN FEDERAL PRISON FOR EVADING FEDERAL INCOME TAX TOTALING MORE THAN \$260,000**

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; JAMES W. MARTIN, Special Agent-In-Charge of the Chicago Field Office of the Internal Revenue Service–Criminal Investigation (“IRS-CI”); and THOMAS J. KNEIR, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation, today made the following announcement:

United States District Judge Philip G. Reinhard today sentenced **RALPH WALDO KOUGH**, 69 (DOB: 7-30-34), 33687 Five Points Road, Kingston, Illinois, a retired commercial airline pilot, to 20 months in federal prison without parole for evading more than \$260,000 in federal income taxes.

Kough pled guilty to the tax evasion charge on October 22, 2003. In his written plea agreement, Kough admitted that he did not file tax returns and did not pay any federal income taxes on his pension income for the years 1995 through 2002. In addition, during 1998 Kough received a lump sum distribution from his 401(k) plan of \$583,425.76. Kough admitted that he attempted to conceal his 401(k) plan distribution from the IRS by: (1) depositing the \$583,425.76 into four separate bank accounts in three separate states; (2) providing those banks with IRS Forms W-8 which falsely stated he was not a United States citizen; and (3) withdrawing most of the funds from those accounts in cash amounts of \$9,000 and \$9,900.

The case was investigated by the Rockford offices of the FBI and IRS-CI. The case was prosecuted in federal court by Assistant United States Attorney SCOTT A. VERSEMAN.

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